

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4609

To establish a Commission on Integration of Workers' Compensation Medical Benefits to study and develop a detailed plan for implementing the transfer of financial responsibility for workers' compensation medical benefits to health insurers, and to provide for the implementation of the plan.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 21, 1994

Mr. FAZIO (for himself and Mr. MILLER of California) introduced the following bill; which was referred jointly to the Committees on Education and Labor, Energy and Commerce, Ways and Means, Armed Services, Post Office and Civil Service, Natural Resources, and Veterans' Affairs

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## A BILL

To establish a Commission on Integration of Workers' Compensation Medical Benefits to study and develop a detailed plan for implementing the transfer of financial responsibility for workers' compensation medical benefits to health insurers, and to provide for the implementation of the plan.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the "Commission on Inte-  
5       gration of Workers' Compensation Act of 1994".

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) The term “Commission” means the Com-  
4 mission on Integration of Workers’ Compensation  
5 Medical Benefits established under section 3(a).

6 (2) The term “health insurance plan” means  
7 any insurance plan providing coverage for medical  
8 care (within the meaning of section 213(d)(1)(c) of  
9 the Internal Revenue Code of 1986), and includes  
10 any plan or program of the Federal Government  
11 providing such coverage.

12 (3) The term “State” includes the District of  
13 Columbia, Puerto Rico, the Virgin Islands, Guam,  
14 American Samoa, and the Northern Mariana Is-  
15 lands.

16 (4) The term “workers’ compensation medical  
17 benefits” means, with respect to an individual en-  
18 rolled in a health insurance plan who is an employee  
19 subject to the workers’ compensation laws of a  
20 State, the comprehensive medical benefits for work-  
21 related injuries and illnesses provided for under such  
22 laws with respect to such an employee.

23 (5) The term “workers’ compensation carrier”  
24 means an insurance company that underwrites work-  
25 ers’ compensation medical benefits with respect to  
26 one or more employers and includes an employer or

1 fund that is financially at risk for the provision of  
2 workers' compensation medical benefits.

3 **SEC. 3. COMMISSION ON INTEGRATION OF WORKERS' COM-**  
4 **PENSATION MEDICAL BENEFITS.**

5 (a) ESTABLISHMENT.—There is hereby created a  
6 Commission on Integration of Workers' Compensation  
7 Medical Benefits.

8 (b) COMPOSITION.—

9 (1) IN GENERAL.—The Commission shall con-  
10 sist of the Director of the National Institute for Oc-  
11 cupational Safety and Health (or the Director's des-  
12 ignee) and 14 members appointed jointly by the Sec-  
13 retary of Health and Human Services and the Sec-  
14 retary of Labor. Appointed members of the Commis-  
15 sion shall include the following:

16 (A) One or more individuals representing  
17 State workers' compensation commissioners.

18 (B) One or more individuals representing  
19 State workers' compensation funds.

20 (C) One or more individuals representing  
21 organized labor.

22 (D) One or more members representing  
23 employers (other than workers' compensation  
24 insurance carriers).

1 (E) One or more members representing  
2 workers' compensation insurance carriers.

3 (F) One or more members of the medical  
4 profession having expertise in occupational  
5 health.

6 (G) One or more educators or researchers  
7 having expertise in the field of occupational  
8 health.

9 (H) One or more members of the legal pro-  
10 fession who regularly represent workers' com-  
11 pensation claimants.

12 (2) ROLE OF CONGRESS.—Of the members of  
13 the Commission appointed under paragraph (1)—

14 (A) 3 shall be appointed from among indi-  
15 viduals recommended by the Speaker of the  
16 House of Representatives;

17 (B) 3 shall be appointed from among indi-  
18 viduals recommended by the Minority Leader of  
19 the House of Representatives;

20 (C) 3 shall be appointed from among indi-  
21 viduals recommended by the Majority Leader of  
22 the Senate; and

23 (D) 3 shall be appointed from among indi-  
24 viduals recommended by the Majority Leader of  
25 the Senate.

1           (3) NO COMPENSATION EXCEPT TRAVEL EX-  
2       PENSES.—Members of the Commission shall serve  
3       without compensation, but the Secretaries shall pro-  
4       vide that each member shall receive travel expenses,  
5       including per diem in lieu of subsistence, in accord-  
6       ance with sections 5702 and 5703 of title 5, United  
7       States Code.

8           (4) QUORUM.—Eight members of the Commis-  
9       sion shall constitute a quorum.

10       (c) DUTIES.—

11           (1) IN GENERAL.—The Commission shall study  
12       and develop a detailed plan for implementing the  
13       transfer of financial responsibility for workers' com-  
14       pensation medical benefits to health insurance plans  
15       and make a recommendation as to whether such a  
16       transfer should be effected.

17           (2) IMPLEMENTATION ISSUES TO BE AD-  
18       DRESSED.—In the development of a plan under  
19       paragraph (1), the Commission shall consider poten-  
20       tial barriers to integration including the following:

21           (A) Whether and how to maintain financial  
22       incentives for employers to prevent work-related  
23       illness and injury and to reduce workers' com-  
24       pensation costs.

1 (B) Modifications of requirements for  
2 workers' compensation carrier and health insur-  
3 ance plan reserves, including any associated  
4 transition issues relating to the modification of  
5 such requirements.

6 (C) The ability of health insurance plans  
7 to set capitated payment rates for workers'  
8 compensation costs, including the lack of avail-  
9 ability of data for use by plans in setting such  
10 rates.

11 (D) Coverage for benefits (including cost-  
12 sharing) not typically included in health insur-  
13 ance plans that are covered under State work-  
14 ers' compensation laws.

15 (E) Variation among States in eligibility  
16 for medical and rehabilitation benefits, and the  
17 scope of such benefits, compensable under State  
18 workers' compensation laws.

19 (F) The ability to move the financial re-  
20 sponsibility for workers' compensation medical  
21 benefits from an experience-rated system to a  
22 community-rated system.

23 (G) The need to provide appropriate incen-  
24 tives to encourage health insurance plans, pro-  
25 viders of health cares services, and employers to

1 return injured employees to work as soon as  
2 possible.

3 (H) The effect of an integrated system on  
4 the ability to preserve adequate case manage-  
5 ment of workers' compensation cases.

6 (I) The impact of an injured worker's  
7 choice of provider on the costs of medical care,  
8 losses in wages and benefits, and quality of  
9 care.

10 (3) EVALUATION ISSUES TO BE ADDRESSED.—

11 In making its recommendation under paragraph (1),  
12 the Commission shall consider both the potential  
13 benefits and potential disadvantages of such a trans-  
14 fer, including the likely impact on—

15 (A) the quality of medical care delivered to  
16 workers injured or made ill on the job;

17 (B) the incentives for employers to main-  
18 tain safe workplaces; and

19 (C) workers' compensation indemnity bene-  
20 fit costs, medical costs and the overall cost of  
21 the workers' compensation system.

22 (d) STAFF SUPPORT.—The Secretaries shall provide  
23 staff support for the Commission.

24 (e) REPORT.—The Commission shall submit a report  
25 on its work to the President and to the Congress by not

1 later than 1 year after the date of the enactment of this  
2 Act. The report shall include the plan developed and its  
3 recommendation under subsection (c)(1).

4 (f) TERMINATION.—The Commission shall terminate  
5 90 days after the date of submission of its report under  
6 subsection (e).

7 (g) AUTHORIZATION OF APPROPRIATIONS.—There  
8 are authorized to be appropriated such sums as may be  
9 necessary to carry out this section.

10 **SEC. 4. IMPLEMENTATION OF RECOMMENDATIONS.**

11 Unless Congress provides otherwise, if the report sub-  
12 mitted by the Commission to the President under section  
13 3(e) recommends the integration of financial responsibility  
14 for all medical benefits in health insurance plans, the Sec-  
15 retary of Labor and the Secretary of Health and Human  
16 Services shall promulgate regulations to carry out such in-  
17 tegration.

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